



**Addison, age 4**  
Heart transplant recipient  
Phoenix, AZ

# Planned Giving

## Simple Planning Documents Everyone Needs

Life can be unpredictable, and it makes sense to be prepared. Everyone, regardless of age or financial situation, needs to have a plan.

Your will and/or trust, your beneficiary designations, your advance directive and your letter of intent are the core documents that can protect you, your family and your peace of mind.

Planning is also an opportunity to think about the causes that have been important to you and the values they represent. Creating a legacy is far more than allocating assets—it's a way to

honor the values you've lived by and turn a gift in your will into a celebration of your life and values.

Keeping your plans up to date is an ongoing process. It's a good idea to revisit your plans after certain key life events, such as changes in health, finances or family status.

Getting started doesn't have to be complicated. Your attorney can help you determine the best way to ensure that your beneficiaries are cared for and that your documents reflect your wishes.



## Your Priorities

Before updating your plans and documents, you'll need to start thinking about the family members, other loved ones and causes that are important to you and how you wish to support them through your estate plan or in another manner—now and in the future.

Surprisingly, this can be the biggest challenge in planning! Estate planning is about more than asset allocation or drafting documents. Including family members in these discussions can be a wonderful way to share your values, reflect on your life and inspire generosity in your younger family members, as well as ensure your loved ones have a clear understanding of your documents and your wishes.

Before you draft your documents, you should take time to think about your goals, your assets and how you might like to reflect your wishes in your plan.

## Your Personal and Financial Goals

Your goals may reflect your wishes to:

- Provide for a spouse
- Support children and grandchildren
- Provide for a family member or friend with special needs
- Avoid probate
- Pass on a family business
- Pass on a family residence
- Leave personal mementos and heirlooms to family or friends
- Leave a gift to charity
- Minimize taxes



## Your Assets

You don't need to make a complete inventory of your assets to start your planning. And your assets are not only financial! An "inventory" of your values and wishes is a wonderful way to start your planning process.

Some of the documents you may want to gather and some of the assets you might want to start listing include:

- A list of your family members and other loved ones whom you may wish to remember in your plans
- Causes and organizations that have been important to you
- Names of people whom you may wish to serve as executor, children's guardians, pet caretakers, etc.
- Family documents—marriage license, divorce papers, military paperwork, birth certificates, etc.
- Copies of your old will or other planning documents, if you are updating or changing your plans
- Business documents and financials
- Life insurance policies
- Retirement plan documents
- Other financial accounts—types of accounts and where they are held
- Your real estate—type of property (family home, investment property, vacation home, etc.) and location
- Personal property, especially items that you intend to gift to loved ones
- Mortgage statements
- Bank statements
- Credit card and other debt statements



# Draft Your Planning Documents with Your Attorney

Once you've thought about your beneficiaries, your goals and your assets, creating your four key documents with your attorney can be very straightforward.

## 1. Will/Trust:

A will and/or living trust allows you to accomplish four important things:

- Transfer your assets (those that have not been allocated by beneficiary designation) to loved ones and to the causes you care about.
- Provide for guardianship of minor children and beloved companion animals.
- Provide for the care of loved ones with special needs.
- Name an executor or trustee, the person who will carry out your instructions and has the important job of settling your estate.

You will want to discuss with your attorney whether a will or a living trust—or both—is most appropriate for your circumstances. Both a will and a living trust contain your inheritance instructions, meaning who gets what, when, and how.

## 2. Beneficiary Designations

Updating the beneficiary designations is one of the most overlooked components of planning, yet one of the most important.

Beneficiary designations apply to retirement accounts, life insurance policies and financial accounts, and override distributions included in your will. So if you are changing or updating

your will or trust and do not also change or update your beneficiary designations, your wishes may not be reflected.

You can request beneficiary designation forms from your financial institutions, or you may be able to update your designations online.

But just like your will, beneficiary designations should be reviewed every few years and especially any time you experience a life-changing event such as the birth, adoption, or death of a loved one; divorce; marriage; or change in financial status.

Because retirement plans are taxed differently than most assets, they may become a tax liability if left to heirs other than a spouse or a charity. Often, beneficiary designations are a good way to include a gift to charity in your plans.

## 3. Advance Directive

All adults, regardless of age or health status, should have an advance care directive. An advance care directive is a legal document that explains how you want medical decisions about you to be made if you cannot make the decisions yourself.

There are two main elements in an advance care directive—a living will and a durable power of attorney for health care.

- A **living will** is a written document that helps you tell your doctors and family members what you want done in case you have a serious injury or illness and are not able to speak for yourself, including any specific treatments you would want or would like to decline.

- A **durable power of attorney** for health care is a legal document naming a health care proxy, who is someone to make medical decisions for you at times when you are unable to do so. You should select someone you trust, such as a close family member or good friend who understands your wishes and feels comfortable making health care decisions for you.

You can download the forms and instructions for your state from the AARP at [aarp.org/advancedirectives](http://aarp.org/advancedirectives).



#### 4. Letter of Instruction:

As a companion to your will or trust, you may want to create a “letter of instruction.” This document, while not legally binding, gives your loved ones information that might be especially helpful or meaningful. A thoughtful letter of instruction is a gift of clarity you can give to those tasked with carrying out your wishes.

The purpose of a letter of instruction is mostly to provide details on final wishes that may not have been explained thoroughly (or at all) in your will. It can be helpful to think of a letter of instruction as a document used to “fill in the gaps” left by a traditional will.

This can include anything from your preferences on what type of flowers will be at your funeral to where to find passwords and instructions for your online accounts.

## Your Charitable Legacy

Many people like to include gifts to charity in their will and other estate plans.

At Phoenix Children’s, every gift, of every amount, matters. We would consider it a privilege to be named as a beneficiary of your will or other plans. Allocating 99% to your loved ones and 1% for charity is one way to care for family while helping create a better future for all.

You can use this language as an example to share with your attorney:

**I bequeath to Phoenix Children’s Foundation, located in Phoenix, Arizona, with tax identification number 74-2421549, [the residue of my estate] [\_\_ percent of my estate] [specific dollar amount] [description of asset] for its general purposes (or for the support of a specific fund or program).**

For beneficiary designations, please use tax identification number **74-2421549**.

For assistance or to discuss ways to direct your gift to a particular fund, program or area of research, please contact us at 602-933-3870 or [giftplanning@phoenixchildrens.com](mailto:giftplanning@phoenixchildrens.com).

Always consult your own advisor. If you have a family member with special needs, creating or updating your plans may involve more complexity as you contemplate your needs, maximize and preserve benefits, protect assets, and assure lifelong care of your loved one. Please consult an experienced attorney who specializes in this area of law.